

# **TOWN OF CARNEGIE**

June 30, 2014

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**Independent Accountant's Report  
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Carnegie  
Carnegie, Oklahoma

Trustees of the Carnegie Public Works Authority  
Carnegie, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

Caddo County Clerk  
Anadarko, Oklahoma

Oklahoma Department of Commerce  
Oklahoma City, Oklahoma

Association of South Central Oklahoma Government  
Duncan, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Modified Cash Basis of the Town of Carnegie and Public Trust, Carnegie, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Street & Alley Fund-Modified Cash Basis, Budgetary Comparison Schedule of Ambulance Tax Fund-Modified Cash Basis, Budgetary Comparison Schedule of FEMA Grant Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Carnegie Public Works Authority-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2014. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis and budget laws of the State of Oklahoma.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis and the requirements of Oklahoma Statutes and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the

form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2014. Management of the Town of Carnegie is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose

#### **Procedures and Findings**

As to the **Town of Carnegie** as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Towns total revenues, expenditures or fund balances) listing separately each federal fund (see accompanying Exhibit 2) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

**Findings:** No exceptions were found as a result of applying the procedure.

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

**Findings:** No exceptions were found as a result of applying the procedure.

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

**Findings:** No exceptions were found as a result of applying the procedure.

5. **Procedures Performed:** We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

As to the **Carnegie Public Works Authority**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

2. **Procedures Performed:** We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

**Findings:** No exceptions were found as a result of applying the procedure.

3. **Procedures Performed:** We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

**Findings:** No exceptions were found as a result of applying the procedure.

4. **Procedures Performed:** We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

**Condition:** The Authority does not have sufficient funds to cover all active and inactive depositors listed on the meter depositors register at June 30, 2014. The Town is currently short \$830 based on the balance of its Meter Fund Bank Account.

**Cause:** The Authority failed to notice they did not have enough money in their Meter Fund to cover all depositors reported on the register.

**Criteria:** Per State Statutes, Authority's must have sufficient funds set aside to cover all depositors with a balance on the Authorities register.

**Recommendation:** The Authority needs to transfer enough funds from the operating fund to the Meter Deposit Fund to cover all depositors.

**Management's Response:** Several errors were located on the depositor list and are being corrected. If there is still a shortage after the corrections have been made a transfer of funds will be made to cover the shortage.

**Condition:** The Authority's computerized Meter Depositor list does not appear to be accurate. The prior year ending balance was \$48,468 and the current year ending balance was \$49,990, which is an increase in depositors of \$1522. However, the actual Meter Deposit Fund decreased \$320. This indicates the system is not being updated correctly and reconciled to the bank statements monthly.

**Cause:** The Authority is not reconciling their meter deposit program to the bank statements.

**Criteria:** The Authority should be reconciling the meter depositor list to the bank statements on a monthly basis to ensure the accuracy of both the list and the financial statements.

**Recommendation:** The Authority needs to review all activity in the Meter Deposit Fund with the Meter Depositor database and ensure they are both correct.

**Management's Response:** The Authority is reviewing the depositor list for errors and making corrections. A reconciliation to the list will be done going forward to avoid errors.

5. **Procedures Performed:** We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

6. **Procedures Performed:** We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

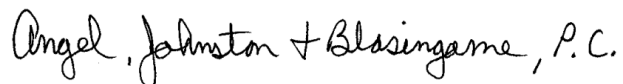
As to the **Town of Carnegie and Public Trust Grant Programs**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit 4) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

**Findings:** No exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Angel, Johnston + Blasingame, P.C." The signature is written in a cursive, flowing style.

Angel, Johnston and Blasingame, P.C.  
April 29, 2015

**TOWN OF CARNEGIE AND PUBLIC TRUST**  
Carnegie, Oklahoma

**SUMMARY OF CHANGES IN FUND BALANCES-MODIFIED CASH BASIS**  
**For the Fiscal Year Ended June 30, 2014**  
(Unaudited)

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
<b>TOWN:</b>				
General Fund	\$ 263,184	\$ 1,217,072	\$ 1,273,088	\$ 207,168
Street & Alley Fund	50,581	16,616	15,933	51,264
Fire Department Fund	2,988	16,168	12,164	6,992
Cemetery Care Fund	27,757	457	-	28,214
Ambulance Grant Fund	3,190	1,000	2,708	1,482
CDBG-CIP Fund	1	44,600	42,300	2,301
Capital Improvement Fund	743	1	-	744
Airport Fund	1,256	2,290	2,508	1,038
REAP Grant Fund	1	45,000	45,000	1
Police Grant Fund	1	-	-	1
Library Grant Fund	945	3,587	3,014	1,519
Fema Grant Fund	89,739	90	-	89,829
Airport Grant Fund	1	-	-	1
Ambulance Tax Fund	32,981	385,587	303,469	115,099
Library Fund	762	146	123	785
Cleet	-	-	-	-
<b>Town Subtotal</b>	<u>474,130</u>	<u>1,732,615</u>	<u>1,700,308</u>	<u>506,438</u>
<b>PUBLIC TRUST:</b>				
Public Works Authority Fund	148,707	368,306	397,400	119,614
Meter Fund	-	-	-	-
<b>Public Trust Subtotal</b>	<u>148,707</u>	<u>368,306</u>	<u>397,400</u>	<u>119,614</u>
<b>Overall Totals</b>	<u>\$ 622,837</u>	<u>\$ 2,100,921</u>	<u>\$ 2,097,707</u>	<u>\$ 626,051</u>

See Independent Accountant's Report

**TOWN OF CARNEGIE AND PUBLIC TRUST**  
Carnegie, Oklahoma

**BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2014**  
**(Unaudited)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Beginning Budgetary Fund Balance</b>	<b>\$ 302,904</b>	<b>\$ 302,904</b>	<b>\$ 263,184</b>	<b>\$ (39,720)</b>
<b>Revenues:</b>				
Sales tax	550,000	550,000	575,786	25,786
Use tax	36,000	36,000	24,758	(11,242)
Alcohol Beverage tax	15,500	15,500	15,820	320
Cigarette tax	7,000	7,000	6,777	(223)
Franchise tax	46,000	46,000	47,824	1,824
Police Fines	55,000	55,000	46,632	(8,368)
Ambulance tax	142,000	142,000	27,504	(114,496)
Fees	6,000	6,000	10,919	4,919
Licenses	1,000	1,000	1,142	142
Cemetery	3,000	3,000	3,294	294
Pool	24,000	24,000	24,630	630
Garbage	215,000	215,000	225,360	10,360
Interest	1,000	1,000	575	(425)
Rents	3,000	3,000	3,678	678
OEPIIC Insurance Reimbursement	30,000	30,000	4,508	(25,492)
Miscellaneous	10,000	10,000	967	(9,033)
<b>Total Revenues</b>	<b>1,144,500</b>	<b>1,144,500</b>	<b>1,020,173</b>	<b>(124,327)</b>
<b>Other Financing Sources:</b>				
Transfers from other funds	400,200	400,200	196,899	(203,301)
<b>Amounts available for appropriation</b>	<b>1,847,604</b>	<b>1,847,604</b>	<b>1,480,256</b>	<b>(367,348)</b>
<b>Charges to Appropriations:</b>				
Police	323,400	324,921	324,907	15
General Government	46,500	47,310	47,280	31
Garbage	223,336	219,040	219,015	25
Fire	30,000	18,430	18,402	28
Parks	10,500	11,540	11,521	19
Street & Alley	1,000	530	526	4
Town Clerk	73,100	73,930	73,925	5
Town Treasurer	5,450	5,489	5,470	19
Pool	27,800	33,560	33,545	15
Court	2,900	3,070	3,060	10
Cemetery	13,000	18,060	18,057	3
Library	18,000	27,170	27,156	14
Town Attorney	6,500	6,460	6,452	8
Hospital	292,000	281,930	177,785	104,145
Ambulance	300,200	306,000	305,987	13
<b>Total Expenditures</b>	<b>1,373,686</b>	<b>1,377,440</b>	<b>1,273,088</b>	<b>104,182</b>
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	-	-
<b>Total Charges to Appropriations</b>	<b>1,373,686</b>	<b>1,377,440</b>	<b>1,273,088</b>	<b>104,352</b>
<b>Unallocated Fund Balance</b>	<b>473,918.00</b>	<b>470,164.00</b>	<b>-</b>	<b>470,164</b>
<b>Ending Budgetary Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 207,168</b>	<b>\$ 207,168</b>



**TOWN OF CARNEGIE AND PUBLIC TRUST**  
Carnegie, Oklahoma

**BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS**  
**STREET & ALLEY FUND**  
For the Fiscal Year Ended June 30, 2014  
(Unaudited)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Beginning Budgetary Fund Balance</b>	\$ 50,629	\$ 50,629	\$ 50,581	\$ (48)
<b>Revenues</b>	15,500	15,500	16,616	1,116
<b>Non-Revenue Receipts:</b>				
Transfers from other funds	-	-	-	-
<b>Amounts available for appropriation</b>	66,129	66,129	67,197	1,068
<b>Charges to Appropriations:</b>				
Personal Services	-	-	-	-
Maintenance & Operations	13,500	16,000	15,933	67
Capital Outlay	2,000	-	-	-
Debt Service	-	-	-	-
Total Other	15,500	16,000	15,933	67
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	-	-
<b>Total Charges to Appropriations</b>	15,500	16,000	15,933	67
Unallocated Fund Balance	50,629	50,129	-	50,129
<b>Ending Budgetary Fund Balance</b>	\$ -	\$ -	\$ 51,264	\$ 51,264

**TOWN OF CARNEGIE AND PUBLIC TRUST**  
Carnegie, Oklahoma

**BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS**  
**AMBULANCE TAX FUND**

For the Fiscal Year Ended June 30, 2014  
(Unaudited)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Beginning Budgetary Fund Balance</b>	\$ 32,975	\$ 32,975	\$ 32,981	\$ 6
<b>Revenues</b>	708,000	708,000	385,587	(322,413)
<b>Non-Revenue Receipts:</b>				
Transfers from other funds	-	-	-	-
<b>Amounts available for appropriation</b>	740,975	740,975	418,568	(322,407)
<b>Charges to Appropriations:</b>				
Personal Services	-	-	-	-
Maintenance & Operations	157,800	157,800	99,335	58,465
Capital Outlay	150,000	150,000	7,235	142,765
Debt Service	-	-	-	-
Total Other	307,800	307,800	106,570	201,230
<b>Other Financing Uses:</b>				
Transfers to other funds	400,200	400,200	196,899	203,301
<b>Total Charges to Appropriations</b>	708,000	708,000	303,469	404,531
Unallocated Fund Balance	32,975	32,975		32,975
<b>Ending Budgetary Fund Balance</b>	\$ -	\$ -	\$ 115,098	\$ 115,098

**TOWN OF CARNEGIE AND PUBLIC TRUST**  
Carnegie, Oklahoma

**BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS**  
**FEMA GRANT FUND**

For the Fiscal Year Ended June 30, 2014  
(Unaudited)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Beginning Budgetary Fund Balance</b>	\$ 89,739	\$ 89,739	\$ 89,739	\$ (0)
<b>Revenues</b>	100	100	90	(10)
<b>Non-Revenue Receipts:</b>				
Transfers from other funds	-	-	-	-
<b>Amounts available for appropriation</b>	89,839	89,839	89,829	(10)
<b>Charges to Appropriations:</b>				
Personal Services	-	-	-	-
Maintenance & Operations	-	-	-	-
Capital Outlay	89,838	89,838	-	89,838
Debt Service	-	-	-	-
Total Other	89,838	89,838	-	89,838
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	-	-
<b>Total Charges to Appropriations</b>	89,838	89,838	-	89,838
Unallocated Fund Balance	1	1	-	1
<b>Ending Budgetary Fund Balance</b>	\$ -	\$ -	\$ 89,829	\$ 89,829

**TOWN OF CARNEGIE AND PUBLIC TRUST**  
**Carnegie, Oklahoma**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS**  
**CARNEGIE PUBLIC WORKS AUTHORITY**  
**For the Fiscal Year Ended June 30, 2014**  
**(Unaudited)**

**Operating Revenues:**

Charges for services:

Water Revenue	\$ 265,673
Sewer Revenue	99,561
Miscellaneous	2,339
Total Operating Revenue	<u>367,573</u>

**Operating Expenses:**

Personal Services	230,811
Maintenance and Operations	118,649
Total Operating Expenses	<u>349,459</u>

Operating Income (Loss)	<u>18,113</u>
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**Non-Operating Revenues (Expenses):**

Investment Income	733
OEPIIC Insurance Reimbursement	-
Sale of Assets	-
Capital Outlay	(47,940)
Total Non-Operating Revenues (Expenses)	<u>(47,207)</u>

<b>Net Income (Loss) Before Contributions and Transfers</b>	(29,094)
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Capital Contributions	-
Transfers in	-
Transfers out	<u>-</u>

<b>Changes in Fund Balance</b>	(29,094)
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<b>Fund Balance - beginning</b>	<u>148,707</u>
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<b>Fund Balance - ending</b>	<u><u>\$ 119,614</u></u>
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**TOWN OF CARNEGIE AND PUBLIC TRUST**  
Carnegie, Oklahoma

**SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS**  
For the Fiscal Year Ended June 30, 2014  
(Unaudited)

	<b>Award Amount</b>	<b>Prior Year(s) Receipts</b>	<b>Prior Year(s) Disbursements</b>	<b>Beginning of Year Unexpended Grant Funds</b>	<b>Current Year Receipts</b>	<b>Current Year Disbursements</b>	<b>End of Year Unexpended Grant Funds</b>
<b>TOWN:</b>							
Department of Agriculture Fire Operations Grant	4,474	-	-	-	4,474	4,474	-
Oklahoma State Health Department Hospital Package Plan FY12-13	6,000	5,000	1,810	3,190	1,000	2,708	1,482
Department of Libraries State Aide 2013	3,304	2,974	2,835	139	330	469	-
State Aide 2014	3,255	-	-	-	3,255	1,989	1,266
Association of South Central Oklahoma Government REAP - 112256	45,000	-	-	-	45,000	45,000	-
Oklahoma Department of Commerce 15077 CDBG 11	45,000	-	-	-	44,600	42,300	2,300
<b>Town Subtotal</b>	<u>107,033</u>	<u>7,974</u>	<u>4,645</u>	<u>3,329</u>	<u>98,659</u>	<u>96,940</u>	<u>5,048</u>
<b>PUBLIC WORKS AUTHORITY:</b>							
No Activity in Current Year							
<b>PWA Subtotal</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Overall Totals</b>	<u>\$ 107,033</u>	<u>\$ 7,974</u>	<u>\$ 4,645</u>	<u>\$ 3,329</u>	<u>\$ 98,659</u>	<u>\$ 96,940</u>	<u>\$ 5,048</u>